



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2006-2007

December 19, 2006

Karen Bright
San Luis Coastal Unified School District
1500 Lizzie Street
San Luis Obispo, CA 93401

Re: Applicant Name: SAN LUIS COASTAL UNIF SCH DIST
Billed Entity Number: 143952
Form 471 Application Number: 500641
Funding Request Number(s): 1378859
Your Correspondence Dated: October 18, 2006

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2006 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1378859
Decision on Appeal: **Denied**
Explanation:

- During the Appeal Review USAC thoroughly assessed the facts presented in the appeal letter, the relevant documentation on file, and the FCC Rules and Procedures before making its determination on your appeal. According to USAC records, San Luis Coastal Unified School District (the District) cited FCC Form 470 application number 211100000547834 on Block 5, Item 12 of their FCC Form 471. During the initial review of the Form 471, USAC contacted and informed the District that for this funding request, the Contract Award Date (December 6, 2004) for the services requested is before the Allowable Contract Date (November 24, 2005) of the cited Form 470. USAC also informed the District that the rules of this support mechanism require that the contract award date be after the allowable contract award date. In addition, the District was given an opportunity to cite an alternate establishing Form 470 and an opportunity to

REC'D JAN 04 2006

correct any Ministerial and Clerical errors. In a fax and an e-mail submitted August 17, 2006, the District provided a copy of the contract and confirmed that the Form 470 establishing the bidding requirement for the services requested is the original Form 470 cited on the District's Form 471, application number 211100000547834. As this information was the same as the original input, the program violation was not cured and the request was denied. On appeal, you contend that the correct Form 470 is Form 470 application number 975090000505430. USAC will not accept new information on appeal that is inconsistent with information in the file used during review. Program procedures do not permit USAC to accept new information on appeal except where an applicant was not given an opportunity to provide information during the initial review or an error was made by USAC.

- The Item 21 Attachment you provided in support of your Form 471 application, or documentation provided during review of your application, show that you selected your vendor prior to the end of the 28 day posting period. In your Receipt Notification Letter, USAC notified you that that the earliest date upon which you could sign a contract or enter into an agreement (your Allowable Contract Date) was November 24, 2005. Consequently, USAC denies your appeal because your application did not comply with the competitive bidding requirement that your Form 470 be posted on the website for 28 days prior to signing a contract or entering into an agreement for new products and/or services.
- You selected your vendor for new products and/or services prior to the expiration of the 28 day posting period. FCC Rules require that except under limited circumstances, all Forms 470 received be posted on the USAC website for 28 days, and that applicants carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting a Form 471. 47 C.F.R. secs. 54.504 (a) (c), 54.511(a) and (c). FCC Rules further require that the Administrator send the applicant a confirmation when the Form 470 has been posted, and inform the applicant of the earliest date upon which they may sign a contract with the vendor it selects. 47 C.F.R. sec. 54.504(b)(4). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). New products and/or services include tariff telecommunications services that are NOT subject to an existing, binding, written contract.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting

the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company